

FISCAL NOTE

SB 1472 - HB 1260

March 1, 2001

SUMMARY OF BILL: Amends the retirement law by allowing University of Tennessee employees participating in the Tennessee Consolidated Retirement System (TCRS), the Optional Retirement Program (ORP), or the superseded U.T. System to withdraw 50% of the value of accrued benefits. Upon retiring, an ORP member would be permitted to withdraw 50% of the amount in the defined contribution plan. Those U.T. employees entitled to a TCRS benefit would be permitted to withdraw up to 50% of the projected lifetime value of the monthly benefit that is payable from the TCRS.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$33,000 Recurring
\$230,000 One-Time**

Estimate assumes:

- one additional position in the Division of Retirement for a counselor to advise and assist eligible U.T. employees considering this option. Recurring costs include salary, benefits and office costs.
- one-time expenditures of \$225,000 include extensive changes to the current TCRS information systems. Partial withdrawals from TCRS will require all calculation modules, inquiry screens and databases to be changed.
- one-time expenditures of \$5,000 for furniture and a personal computer for the additional position in the retirement division.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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